

PRESS RELEASE

December 14, 2006

**RE: UNITED STATES v. MIKHAIL SOLOVEY a/k/a
ROBERT STEIN**

United States Attorney Terrance P. Flynn announced the sentencing yesterday of MIKHAIL SOLOVEY a/k/a ROBERT STEIN, age 41, a former resident of East Amherst, who is a current resident of Marin County, California. SOLOVEY pled guilty on January 6, 2006, to health care fraud, in violation of Title 18, United States Code, Section 1347, for criminal conduct which took place in the Western District of New York. The plea took place in the Northern District of California (San Francisco) because SOLOVEY was under indictment, and in custody, for mail fraud in the Northern District of California. SOLOVEY also pled guilty to mail fraud in that case. The pleas were consolidate for sentencing. SOLOVEY received a sentence of 30 months imprisonment and was ordered to pay a total of \$794,971 in restitution by United States District Court Charles R. Breyer.

Assistant U.S. Attorneys John E. Rogowski and Charles B. Wydysh, who prosecuted the case for the Western District of New York, stated that between September 2002, and September 2004, the defendant was a co-owner and operator of All Care Management of Western New York ("All Care"). All Care was a corporation which purportedly performed management and administrative services for

individual health care providers and medical professional service corporations. The defendant, through All Care, submitted fraudulent insurance claim forms to Medicare on behalf of health care providers for medical services that the defendant knew were never rendered to patients or, if rendered, were not medically necessary or were performed by individuals not qualified by Medicare to render such services.

Contrary to Medicare laws, the defendant offered financial inducements to individuals willing to "treat" with health care providers associated with All Care. For example, the defendant offered gift cards, meals, and groceries to entice individuals to utilize the health care providers associated with All Care. Once a new patient would visit the health care providers associated with All Care, the defendant would direct that all such patients receive an extraordinary number of tests and treatment, most of which were not medically necessary. Many of the medical services, if actually rendered, were rendered by individuals not qualified by Medicare to render such services. Services rendered by unqualified providers are not reimbursable by Medicare.

The defendant admitted that as a result of his submission false claims to Medicare, Medicare paid \$451,138 into bank accounts controlled by the defendant. The restitution ordered by Judge Breyer directed that the defendant pay back the \$451,138

to the United States Medicare program.

The remainder of the restitution is to be paid to the United States Department of Education for the defendant's criminal conduct in California relating to operation of technical school which trained individuals in the field of computer technology and medical testing. In pleading guilty to mail fraud, the defendant admitted that he applied for and received student aid payments totaling \$343,833 from the United States Department of Education in the name of students who were not enrolled in an ultrasound training program as he had claimed in the applications.

The health care fraud conviction was the culmination of an investigation conducted by the Western New York Health Care Fraud Task Force consisting of agents from the Federal Bureau of Investigation, United States Department of Health and Human Services - Office of Inspector General, Internal Revenue Service - Criminal Investigation Division, United States Postal Inspection Service, United Postal Service Office of Inspector General, United States Department of Defense - Criminal Investigation Service, United States Food and Drug Administration - Office of Criminal Investigation, and the New York State Insurance Fraud Bureau.